

HOUSE BILL 436

By McDaniel

AN ACT to amend Tennessee Code Annotated, Section 8-4-109, relative to comptroller audits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-4-109, is amended by deleting subsections (b) and (c) and substituting instead the following:

(b) When the comptroller of the treasury conducts an audit of the accounts, books, records, and other evidences of financial transactions of any department, agency, or institution of the state, it shall be the duty of the officer who is the administrative head of such department, agency, or institution to submit a corrective action plan to the comptroller of the treasury which addresses the actions taken, or to be taken, in response to each audit finding and related recommendations of the comptroller of the treasury relative to the effective and efficient management of such accounts, books, records, or other evidences of financial transactions. The corrective action plan shall provide the name or names of the contact person or persons responsible for the corrective action, the corrective action taken or planned, and the anticipated completion date. If the auditee does not agree with an audit finding or a related recommendation proposed by the office of the comptroller of the treasury, or believes corrective action is not required, the corrective action plan shall state the reasons and justifications for disagreement or belief. The corrective action plan shall be filed with the comptroller of the treasury no later than thirty (30) days after the issuance of the department, agency, or institution's audit report.

(c) It shall be the duty of the officer who is the administrative head of such department, agency, or institution to report to the comptroller of the treasury, in writing,

the action that has been taken to implement the recommendations of the comptroller of the treasury, or to state the reasons and justifications for disagreement with the recommendations proposed by the office of the comptroller of the treasury, six (6) months after the issuance of the department, agency, or institution's audit report.

SECTION 2. Tennessee Code Annotated, Section 8-4-109, is further amended by adding the following as a new subsection:

(d) In order to avoid repeat audit findings, the comptroller of the treasury shall at any time notify the chairs of the finance, ways and means, government operations, and fiscal review committees of the general assembly of any such department, agency, or institution's failure to timely implement such recommendations, to submit the report required by subsection (c), or to comply with its corrective action plan. Those committees may direct the department, agency, or institution to provide a written statement to the requesting committee explaining why full corrective action has not been taken. If a requesting committee determines that the written statement is not sufficient, that committee may require the department, agency, or institution to appear before the committee. If the committee determines that the department, agency, or institution has failed to take full corrective action for which there is no justifiable reason or has failed to comply with the committee's request, that committee shall take such steps as they deem necessary.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.